

HOUSE BILL NO. 431

INTRODUCED BY M. DUNWELL

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT CERTAIN PERSONAL PROPERTY IS NO LONGER EXEMPT FROM PROPERTY TAXATION; REVISING THE DEFINITION OF "INTANGIBLE PERSONAL PROPERTY"; PROVIDING A TRANSITION SECTION FOR DETERMINING WHEN CERTAIN PERSONAL PROPERTY IS TREATED AS NEWLY TAXABLE PROPERTY; AMENDING SECTION 15-6-218, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-6-218, MCA, is amended to read:

"15-6-218. Intangible personal property exemption. (1) Intangible personal property is exempt from taxation.

(2) For the purposes of this section, "intangible personal property" means ~~personal property that is not tangible personal property and that:~~

~~(a) has no intrinsic value but is the representative or evidence of value, including but not limited to certificates of stock, bonds, promissory notes, licenses, copyrights, patents, trademarks, contracts, custom software, and franchises; or~~

~~(b) lacks physical existence, including but not limited to goodwill.~~

(3) To the extent that the unit value of centrally assessed property includes intangible personal property, that value must be removed from the unit value."

NEW SECTION. Section 2. Transition. Personal property that becomes subject to taxation under the provisions of [this act] on or before January 1, 2022, is not treated as newly taxable property under 15-10-420.

NEW SECTION. Section 3. Saving clause. [This act] does not affect rights and duties that matured, penalties that were incurred, or proceedings that were begun before [the effective date of this act].

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NEW SECTION. **Section 4. Effective date.** [This act] is effective on passage and approval.

NEW SECTION. **Section 5. Applicability.** [This act] applies to tax years beginning after December 31, 2021.

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